

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment by striking out all of the first indented paragraph and all of paragraph G (page 1, lines 11 to 19 in amendment) and inserting the following:

Amend the bill in section 2 in §5102 by inserting after subsection 3 the following:

4. Historic dollar value. "Historic dollar value" means the aggregate value in dollars of:

A. Each endowment fund at the time it became an endowment fund;

B. Each subsequent donation to the fund at the time the donation is made; and

C. Each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund.

An institution's determination of historic dollar value made in good faith is conclusive.

Amend the amendment in section 2 in §5102 by relettering or renumbering the subsections numbers to read consecutively.

Amend the amendment by striking out all of subsection 4 (page 1, lines 21 to 29 in amendment) and inserting the following:

4. Track historic dollar value. An institution shall track the historic dollar value of its institutional funds.

5. Aggregate value of \$2,000,000 or more. An institution administering endowment funds with an aggregate value of \$2,000,000 or more shall notify the Attorney General upon its adoption of the provisions of this Act.

6. Aggregate value of less than \$2,000,000. An institution administering endowment funds with an aggregate value of less than \$2,000,000 shall notify the Attorney General at least 60 days prior to an appropriation for expenditure of an amount that would cause the value of the institution's endowment funds to fall below the aggregate historic dollar value of the institution's endowment funds. During the 60-day period, the Attorney General may require the institution to obtain court approval for the proposed expenditure.

7. Rebuttable presumption. The appropriation for expenditure in any year of an amount greater than 7% of the fair market value of an endowment fund, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than 3 years immediately preceding the year in which the appropriation for expenditure is made, creates a rebuttable presumption of imprudence. For an endowment fund in existence for less than 3 years, the fair market value of the endowment fund must be calculated for the period the endowment fund has been in existence. This subsection does not

apply to an appropriation for expenditure permitted under law other than this chapter or by the gift instrument.'

SUMMARY

This amendment moves the definition of "historic dollar value" to the general definitions section and provides that an institution's determination of historic dollar value made in good faith is conclusive. This amendment also:

1. Requires that an institution administering endowment funds with an aggregate value of \$2,000,000 or more shall notify the Attorney General upon its adoption of the provisions of the Uniform Prudent Management of Institutional Funds Act; and

2. Requires that an institution administering endowment funds with an aggregate value of less than \$2,000,000 shall notify the Attorney General at least 60 days prior to an appropriation for expenditure of an amount that would cause the value of the institution's endowment funds to fall below the aggregate historic dollar value of the institution's endowment funds.